Business and Labor Committee March 09, 2009

[LB267 LB557]

The Committee on Business and Labor met at 1:30 p.m. on Monday, March 9, 2009, in Room 2102 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB557 and LB267. Senators present: Steve Lathrop, Chairperson; Brenda Council, Vice Chairperson; Tom Carlson; Amanda McGill; Ken Schilz; Norman Wallman; and Tom White. Senators absent: None. []

SENATOR LATHROP: All right. I think we're ready to start. Welcome to the Business and Labor Committee, we have two bills today. My name is Steve Lathrop, I'm the state senator from District 12 in Omaha. Maybe I'll start out by introducing my colleagues. We have to my right Senator Carlson from Holdrege; Senator Council from Omaha; Senator McGill from Lincoln; Committee Counsel Molly Burton; Committee Clerk Chris Chapek; and we have Senator Wallman on my left; and Senator White also from Omaha; and I think we'll be joined later by Senator Schilz, who might be running a little bit behind. We have two bills today. We're going to take up LB557, which is Senator Nantkes' bill. If you haven't been here before, and it looks like most of you have, but if you haven't we'll hear from the introducer. Then we'll hear from proponents, opponents, and those testifying in a neutral capacity, and then we'll allow Senator Nantkes an opportunity to close. We'll do that with her bill as well as mine. Thank you. []

SENATOR NANTKES: Good afternoon, Chairman Lathrop, members of the committee. My name is Senator Danielle Nantkes, that's D-a-n-i-e-l-l-e N-a-n-t-k-e-s, and I represent the "Fighting 46" Legislative District in north Lincoln. I'm here today to introduce LB557. This bill was brought to me by the AFL-CIO, and is a reintroduction of a bill that was introduced by Senator Friend a few years ago. Basically the bill would allow for recognized labor organizations to charge a fair share contribution to employees that they represent who are not members of their organization. This bill would only apply to the public sector employees and would not require membership in a labor organization, nor would it force employees to lose their jobs. It would not allow the fair share contribution to exceed monthly union membership. This bill is a bill that I introduced because I think it encompasses many important public policy purposes and helps keep the focus on the fairness factor for labor organizations and those that they represent. I know that there is many people here today to testify behind me who can explain to the committee in greater detail about how this would work if implemented and why it's important to their members, their employees, and their organizations. With that, I'm happy to answer any questions. [LB557]

SENATOR LATHROP: Very good. Thank you, Senator Nantkes. Any questions? Seeing none. [LB557]

SENATOR NANTKES: Thank you. And, Chairman, for the record, I think I will go ahead and waive my closing at this time. [LB557]

Business and Labor Committee March 09, 2009

SENATOR LATHROP: Okay. [LB557]

SENATOR NANTKES: I need to go back to Appropriations Committee. [LB557]

SENATOR LATHROP: Plenty to do there, I'm sure. [LB557]

SENATOR NANTKES: You can imagine. Thank you. [LB557]

SENATOR LATHROP: Proponents? [LB557]

KEN MASS: Senator Lathrop and members of the committee, my name is Ken Mass. that's M-a-s-s, representing the AFL-CIO in support of LB557. And we thank Senator Nantkes for introducing the bill. Basically, LB557 has been around for many years and this bill pertains to the public sector only, public sector employees. So employees that go through the CIR would be individuals that would be affected. What the LB557 would do, would give an opportunity for the labor organization that represents individuals in the public sector a opportunity to charge a fair share for representing all the employees in that bargaining unit. As you all know, I'm sure, Nebraska is a right to work state. So individuals who are part of a labor agreement, they--because it's a right to work state--they can make a choice to belong to a union or not. So what this does, as a labor organization who represents all employees in that bargaining unit and come to an agreement and then all employees, regardless if they are in the union or not, benefit from what the union does at the bargaining table and on a daily basis of administrating the contract in grievance work and that kind of thing. So basically that's the guts of it, the bill. It also means that the bill passes, the labor organization and the employer have to reach an agreement to put it in the collective bargaining agreements so it can be taking effect for those people that don't belong to the labor organization. Basically, as Senator Nantkes said, the fair representation fee cannot be higher than the normal dues that the member pays the labor organization for representation. And that can be done on an agreement from the employee signing a card to...like they do withholding their union dues but also notifying the employer of taking that out of their paycheck for their fair representation. Basically that is...I think that's it in a nutshell. If there's any questions, I'll agree to answer it. And we...(cell phone rings) oh, that's a \$10 fee or is that a yes vote? (Laughter) [LB557]

SENATOR LATHROP: I think that's going to cost him a yes vote. (Laughter) Wow, that was easier than I thought it would be. [LB557]

KEN MASS: Well, we have one yes vote. Thank you, Senator Carlson. [LB557]

SENATOR LATHROP: Somebody call Senator Schilz. [LB557]

Business and Labor Committee March 09, 2009

KEN MASS: Oh, both. (Laughter) Okay. [LB557]

SENATOR LATHROP: Anyway, we're just having a little fun today. [LB557]

KEN MASS: Boy, we're going to get further than I thought we were today. [LB557]

SENATOR LATHROP: Any questions for Mr. Mass? Senator Carlson. [LB557]

SENATOR CARLSON: Senator Lathrop. Sorry, Mr. Mass. [LB557]

KEN MASS: Oh, you're fine. [LB557]

SENATOR CARLSON: Now I am going to ask you questions good-naturedly. Do you go

to church? [LB557]

KEN MASS: Yes, sir. [LB557]

SENATOR CARLSON: Are you a member of that church? [LB557]

KEN MASS: Yes, sir. [LB557]

SENATOR CARLSON: Do you tithe? [LB557]

KEN MASS: Yes, sir. [LB557]

SENATOR CARLSON: Are there people that go to your church that aren't members?

[LB557]

KEN MASS: Yes, sir. [LB557]

SENATOR CARLSON: And are they people that may contribute or may not? [LB557]

KEN MASS: I assume so. [LB557]

SENATOR CARLSON: Whether they contribute or not, they receive the full benefit of

the ministry of that church, would you agree? [LB557]

KEN MASS: I would agree to most of that, yes. [LB557]

SENATOR CARLSON: And so if they don't tithe, is that fair? [LB557]

KEN MASS: No, it's not. [LB557]

Business and Labor Committee March 09, 2009

SENATOR CARLSON: Do you think there should be a law that church members tithe? Well, there is a law but it's voluntary. (Laughter) [LB557]

KEN MASS: There's a law. [LB557]

SENATOR CARLSON: Excuse me, there is a law. [LB557]

KEN MASS: Of 10 percent or something like that? [LB557]

SENATOR CARLSON: Uh-huh. [LB557]

KEN MASS: Okay. Being as you had brought it up, many years ago I served on the church council of my church and we went through the list of supposedly members of that church and found that there were many on that list that were being corresponded with that weren't members anymore. And they were sent correspondence to let us know--the church know--of what their feelings were. We did get some in response and they were, for whatever reason, they were taken off the rolls and they were not part of that church anymore. [LB557]

SENATOR CARLSON: Well, very quickly, I am also a member of my professional organization and I think that I should be if I'm earning a living in that area. But it's voluntary that I be a part of that association and I think it's most meaningful when we bring other people that are in my business into that organization by choice and not by law. And that's the way I feel about this. So thanks for responding to me. [LB557]

KEN MASS: Uh-huh. I think the right to work ought to be affected into--and Senator Lathrop would probably like this--I think you have to be a part of a law firm, or law degree to practice law in Nebraska. Is that correct, sir? [LB557]

SENATOR CARLSON: I will defer to the experts in law. [LB557]

KEN MASS: But you also have to be part of the medical association to practice medicine in Nebraska, right? [LB557]

SENATOR CARLSON: I think so. [LB557]

KEN MASS: So much for the right to work state. [LB557]

SENATOR LATHROP: At least for lawyers and doctors. How about Senator White has a question. [LB557]

SENATOR WHITE: Would you agree, I mean, carrying on Senator Carlson's metaphor, that unions, like churches, are doing the Lord's work? (Laughter) [LB557]

Business and Labor Committee March 09, 2009

KEN MASS: Let me put it this way. Let me say this, we are always preaching our gospel. (Laughter) [LB557]

SENATOR WHITE: Thank you, Mr. Mass. [LB557]

SENATOR LATHROP: Senator Council. [LB557]

SENATOR COUNCIL: Thank you, Chairman Lathrop. Mr. Mass, I just have a couple of questions from a labor law perspective. This speaks to employees who have elected, by whatever means, to be represented for purposes of collective bargaining. Is that correct? So that's at least 51 percent of the employees have said they want to have an organization represent them for purposes of collective bargaining. [LB557]

KEN MASS: You are talking when they organize, correct? [LB557]

SENATOR COUNCIL: Yes. [LB557]

KEN MASS: Okay. Yes. [LB557]

SENATOR COUNCIL: Is that correct? [LB557]

KEN MASS: Yes. [LB557]

SENATOR COUNCIL: So at least 51 percent have to either...you have to either demonstrate to the employer that there's more than majority support and be voluntarily recognized or you have to have evidence that at least 51 percent wish to have a vote to be represented. [LB557]

KEN MASS: Uh-huh. Correct. [LB557]

SENATOR COUNCIL: That's correct. Now...but once collective bargaining begins, can the labor organization bargain only on behalf of the membership? [LB557]

KEN MASS: No, they bargain for the whole bargain unit. [LB557]

SENATOR COUNCIL: Can the individuals who choose not to be members of the union go directly to the employer and say, I don't care what the union negotiates, I want to arrange my salary and benefits or pay and benefits directly with the employer? [LB557]

KEN MASS: No, they can't. If they're in a bargaining unit, they're part of the bargaining unit, yes. [LB557]

Business and Labor Committee March 09, 2009

SENATOR COUNCIL: Okay. And in terms of benefits that are achieved as a result of collective bargaining, can any member of the bargaining unit opt out of those benefits? [LB557]

KEN MASS: No. I guess you can if you guit, but no. [LB557]

SENATOR COUNCIL: Okay. And if the collective bargaining agreement provides a grievance procedure, is the labor organization required to represent every employee? [LB557]

KEN MASS: Yes. Yes. [LB557]

SENATOR COUNCIL: That's all I have. [LB557]

SENATOR LATHROP: Continuing with that, if an employee who is not a union member has a dispute over the terms of the contract then the labor union is obliged to represent them in that dispute. [LB557]

KEN MASS: Correct. [LB557]

SENATOR LATHROP: And that's really, I mean, it's one thing to have a union negotiate the terms of your wages and increase your benefits and so forth, but the other piece is that if they get in a jam then the union has to step up with their resources, hire the lawyers, do all those things just as though they were dues paying members and in fact their dispute may be draining resources from the very union they refuse to contribute to. [LB557]

KEN MASS: If it's a situation, you know, that affects the bargaining unit, the whole bargaining unit, we could file a grievance, for example, that affected all the employees of the bargaining unit. So all employees are going to benefit from that grievance, regardless if they're in the union or not. It may be, you know, an increase of wages, job description, or whatever it may be. So they're part of that and does it...we are mandated under law, under duties of fair representation. And if we don't, yes, we can be sued for failure to represent them, yes. [LB557]

SENATOR LATHROP: Okay. I think Senator Schilz had a question, then we'll come back to Senator Council. [LB557]

SENATOR SCHILZ: Yeah. Thank you, Senator Lathrop. Sir, just a question for you. Obviously, you know, these unions are out there and they're doing the collective bargaining for all the employees, correct? Unions also lobby, don't they? [LB557]

KEN MASS: Yes, sir. [LB557]

Business and Labor Committee March 09, 2009

SENATOR SCHILZ: Yeah, and so on that, is there any sort of mechanism to figure out how much lobbying is done and how much should be taken out of a person's...? [LB557]

KEN MASS: Basically, the thing is it would be up to the labor organization themselves to decide that, yes. [LB557]

SENATOR SCHILZ: Right. [LB557]

KEN MASS: They cannot charge the individual that doesn't belong to the union a fair share for political or...and representation, lobbying, those are issues that affect the whole bargaining unit, like workers' comp, unemployment that we're down here for. [LB557]

SENATOR SCHILZ: Right. [LB557]

KEN MASS: All employees of that bargaining unit benefit from that. [LB557]

SENATOR SCHILZ: Right. Well,... [LB557]

KEN MASS: So there are functions, yes, that the local union or the labor organization does that would not be able to charge that person part of that. [LB557]

SENATOR SCHILZ: Uh-huh. Person for that. [LB557]

KEN SCHILZ: Yes. Yes. [LB557]

SENATOR SCHILZ: Okay, thank you. [LB557]

KEN MASS: Yeah. Uh-huh. [LB557]

SENATOR LATHROP: Senator Council. [LB557]

SENATOR COUNCIL: Yes, Senator Lathrop, I apologize, I forgot the one question. Because one of the questions that has been posed to me in e-mails is why is this legislation directed only at public employers as opposed to private sector and public sector employers? [LB557]

KEN MASS: We have had a bill introduced for many, many years that involved public and private and because of the position of the private going through the National Labor Relations Act--the board and that kind of thing--we have removed the private. And only on the public sector which is under the state law, which is the CIR, so the National Labor Relations Act does not come into play on this; the CIR does, the Commission of

Business and Labor Committee March 09, 2009

Industrial Relations. [LB557]

SENATOR COUNCIL: And in that regard, what, if any, distinction is there between the CIR and the National Labor Relations Board when it comes to settling disputes over collective bargaining? [LB557]

KEN MASS: Well, if you have a disagreement, an impasse, let's say an impasse in a public sector situation, they, either through a mediation and nothing gets solved, then the opportunity for either party can go to the CIR. CIR, Commission of Industrial Relations will settle the dispute, whatever that might be. [LB557]

SENATOR COUNCIL: Okay. And is there a distinction between how the CIR settles a collective bargaining...the contract negotiation dispute versus the National Labor Relations Board? [LB557]

KEN MASS: No. [LB557]

SENATOR COUNCIL: Okay. [LB557]

KEN MASS: No. It's a separate entity. Uh-huh. [LB557]

SENATOR COUNCIL: Does the National Labor Relations Board establish rates of pay?

[LB557]

KEN MASS: Can they? [LB557]

SENATOR COUNCIL: Can they? [LB557]

KEN MASS: If it's appealed there, yes. Yes. [LB557]

SENATOR COUNCIL: And they can also impose certain benefits? [LB557]

KEN MASS: You mean, when it's brought to them? [LB557]

SENATOR COUNCIL: Yes. [LB557]

KEN MASS: Then, you know, it becomes an open book, you know. [LB557]

SENATOR COUNCIL: It's just a little distinction. And my other question to you will be

after this meeting. Hint. Hint. [LB557]

KEN MASS: One on one, huh? (Laugh) [LB557]

Business and Labor Committee March 09, 2009

SENATOR LATHROP: Any other questions? I see none. Thank you for your testimony. [LB557]

KEN MASS: Thank you. [LB557]

SENATOR LATHROP: Any other proponents? [LB557]

GEORGE FORST: (Exhibit 1) Senator Lathrop, committee members, good afternoon. I'd like to read to you from a prepared statement. My name is George Forst, F-o-r-s-t. I am the vice president of the Nebraska Public Employees Local 251, American Federation of State, County, and Municipal Employees. Our local represents approximately 600 members across the state of Nebraska and the following municipal governments: cities of Omaha, Fremont, Grand Island, North Platte, and South Sioux City; and the counties of Harlan, Dakota, Sarpy, Nemaha, Otoe, York, Pawnee; the Omaha Housing Authority, and the Douglas County Youth Center. Local 251, like other public employee unions under the current Nebraska state statutes, have the legal responsibility to represent all employees covered under our collective bargaining agreements. And, as an elected officer of a public employees union, I have not only the legal but the moral responsibility to equally represent all employees, members and nonmembers, who are covered under our collective bargaining agreements. While those public employees who elect to join us become members of the local and participate in the labor movement are many, I must now address those public employees who for whatever their reasons have decided not to join in with their brothers and sisters in Local 251 and the labor movement. That decision is unfair to those employees and union members who have made their decision to join with their brothers and sisters in solidarity to have a voice in their workplace, to have representation, and to have an advocate for their issues and causes who pay dues for those services. Our members who have chosen to join with their brothers and sisters in Local 251 have to pay the cost for all employees who have decided not to join this union. Those unenlightened employees, who have decided to ride on the coattails of their union coworkers, benefit from the work of their union coworkers, laugh at their union coworkers who pay dues to support the local that has to, by law, represent them. This is not just unfair; it is plain wrong and I feel that it is unjust. We are not asking or demanding that the state of Nebraska change its statutes making union membership mandatory. We are only asking that the Nebraska Legislature level the playing field. If a public employee works for a government subdivision and that employee is covered under a collective bargaining agreement, then if that employee decided he or she does not wish to join the union that represents the employees, then that is that person's choice. But if myself or any other union member has to represent such nonmember, then we should be allowed to recoup some of the expenses of that representation. LB557 would allow us to do just that, to recoup some of the expenses that the union incurs when negotiating contracts or in representing nonmembers in disciplinary actions that might be taken against them. LB557 would allow Local 251 to charge a fair share of

Business and Labor Committee March 09, 2009

those costs on a prorated basis back to those employees who have made their decision not to join and become a full member of the local. Then the question becomes, what would a fair share be and how would the fair share be calculated? For each union that could be a different number dependent on several factors: total number of employees covered under that particular contract, total number of members working under that contract, hours spent by the union policing that particular contract, and that particular union's due structure. In closing, I would ask that this committee and this Legislature seriously consider and ratify LB557. Its passage would be the correct and fair course to take. The passage of LB557 would not take away any person's choice of union membership or nonmembership, but it would allow a union to recoup a percentage of its cost when we have to represent any employee who makes a decision not to join with their brothers and sisters in solidarity. And I'll take any questions. [LB557]

SENATOR LATHROP: Thank you, Mr. Forst. Any questions from the committee members? Senator Carlson. [LB557]

SENATOR CARLSON: Senator Lathrop. On that, Mr. Forst, on the second page there next to the last paragraph, "hours spent by the union policing that particular contract," what does policing mean? [LB557]

GEORGE FORST: It's a general term that refers to the time spent in negotiations, in time spent in disciplinary procedures, in time spent in grievance procedures, in time spent with a particular employer on issues specific to that work space. [LB557]

SENATOR CARLSON: Okay. To me, it carries the notation of heavy handed, but that's not what that means. [LB557]

GEORGE FORST: That is not the case here. [LB557]

SENATOR CARLSON: Okay, thank you. [LB557]

SENATOR LATHROP: It just means servicing the agreement. [LB557]

GEORGE FORST: Yes, sir. [LB557]

SENATOR LATHROP: Okay. Any other questions? I don't see any. Thank you for your testimony, Mr. Forst. [LB557]

GEORGE FORST: Thank you. [LB557]

SENATOR LATHROP: Sir, we'll ask you to spell your last name too. [LB557]

MIKE MARVIN: Okay. Good afternoon, Chairman Lathrop, members of the committee.

Business and Labor Committee March 09, 2009

My name is Mike Marvin, M-a-r-v-i-n, I'm here today as executive director of Nebraska Association of Public Employees affiliated with the American Federation of State, County, and Municipal Employees Local 61. We are here in support of LB557. We're required to represent and bargain for all employees in the bargaining unit and all employees in the bargaining unit benefit from that representation. Shouldn't they be responsible for their fair share of that cost? Now our current structure means that I, as executive director, actually have very little contact with our members and the employees at the various agencies. But in the last week I did track my member and employee contacts. I had 11 calls; 9 of them were nonmembers that I talked to; I only talked to 2 members. I then asked my staff to keep track that week too. In full, 60 percent of the contacts that they had with employees were nonmembers, not paying dues. I didn't even attempt to have our stewards in the workplace keep contact and report back to us, I don't think anybody would have believed those numbers anyway. It's very tough. We're doing a lot of contacts out there with employees who pay nothing and they tell us...and they're not shy about telling us, you have to represent me, I get the same wage, I get the same benefits, I get everything that those members get and you don't have a choice, you have to represent me, you have to talk to me about these issues. This is inherently not fair. We should be able to charge a fee to nonmembers for the contract they work under and that we administer. If they don't want a union job and union benefits, why are they working there? And that's all I have for today and I'd be happy to answer any questions. [LB557]

SENATOR LATHROP: Thank you, Mr. Marvin. Any questions from committee members? I don't see any. [LB557]

MIKE MARVIN: Okay. Thank you. [LB557]

SENATOR LATHROP: Thank you. Other proponents? [LB557]

KORBY GILBERTSON: Chairman Lathrop, members of the committee, for the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as a registered lobbyist on behalf of the State Troopers Association of Nebraska in support of LB557. In order not to repeat testimony from earlier proponents, I just want to emphasize the issue is not that these workers benefit from the overall benefits of having that contract, but also they can benefit individually. And the State Troopers especially feel that that is only fair that they should have to pay for part of the cost when those people are benefitting specifically from the contract they are working under. I would be happy to try to answer any questions. [LB557]

SENATOR LATHROP: Very good. Senator Wallman. [LB557]

SENATOR WALLMAN: Thank you, Chairman Lathrop. Yes, welcome to this committee, thanks for being here. Are the highway patrol pretty good numbers as far as

Business and Labor Committee March 09, 2009

percentages belong to the union? [LB557]

KORBY GILBERTSON: I know that they don't have 100 percent, but I don't know the total number. I can find that out for you. [LB557]

SENATOR WALLMAN: Sure. Thank you. [LB557]

SENATOR LATHROP: Senator Carlson, did you have a question? [LB557]

SENATOR CARLSON: I will since you looked at me. (Laughter) [LB557]

SENATOR LATHROP: You were giving me that look like you were about to so. If we're going to second emotions, I guess I'll call on you when your hand isn't in the air. [LB557]

SENATOR CARLSON: No, it's just interesting that Korby would be here representing labor. Thank you. [LB557]

KORBY GILBERTSON: He looked a little shocked, himself, up there so. (Laugh) [LB557]

SENATOR LATHROP: Very good. Senator White. Okay. I think that's it, Korby, thank you. [LB557]

KORBY GILBERTSON: Thank you. [LB557]

SENATOR LATHROP: Any other proponents? Anyone here in opposition to this bill? If you are, come on down. Opposition to LB557. Good afternoon. [LB557]

JERRY PIGSLEY: (Exhibit 2) Good afternoon, Chairman, members of the Business and Labor Committee. My name is Jerry Pigsley, my name is spelled J-e-r-r-y, last name is spelled P-i-g-s-l-e-y. I'm here on behalf of the Nebraska Chamber of Commerce and Industry. A little bit of my background, I'm a labor and employment law attorney. When I was in law school, I worked for the Nebraska Commission of Industrial Relations and after graduation from law school I was the clerk executive director of the Commission of Industrial Relations until 1983 and then I went into practice with the law firm of Nelson and Harding which is now called Harding and Shultz. And I represent public and private employers. The Nebraska Chamber of Commerce opposes LB557 for just a few reasons. One, it violates Nebraska's right to work constitutional provision. You have two Attorney General Opinions, the last one by Attorney General Bruning in 2007 who issued an opinion saying that a fair share provision would violate Article XV, Section 13 of the Nebraska Constitution, which is the right to work provision. And then earlier, in 1993, Attorney General Stenberg found that similar fair share legislation would be unconstitutional under that right to work amendment which was literally passed over 60

Business and Labor Committee March 09, 2009

vears ago and put in the constitution. This bill would mandate public employees in this state that are represented by labor organizations to pay union dues. There's nothing permissive or voluntary about this provision. And what it does is, I think one of the senators mentioned 51 percent vote for the labor organization to certify them as the union, 49 percent vote against them. Well, that 49 percent that voted against them will be paying under this bill. The Legislature in 2007 passed a bill that mandates for public employees already to pay for legal fees, court costs if that public employee asks that labor organization to represent them in grievances or court. It doesn't require them to pay for labor negotiations because, frankly, they may not agree with the union position, they may not agree to have them represent them, but they're forced because they were not in the majority view that voted in the labor organization or even the employer that may have voluntarily recognized that labor organization without even a vote of those employees. And I know that one of the senators, Senator Council, was a judge on the Commission of Industrial Relations and I think she clearly knows the difference between public and private sector and there is a difference in this state of how you deal with public employees versus private employees in labor matters. And in our state if you're not able to reach an agreement as a public employee, you have the right to go to the Commission of Industrial Relations. If you work for a private company, you have the right to strike. And there's no provision under federal law that says that the NRB is going to order certain wages or benefits unless there's clearly been an unfair labor practice. So what this does is allows for an inroad to the private sector, which the Nebraska Chamber of Commerce represents over 100,000 people and 400 different categories of businesses and 150 communities in this state. And it would just be an inroad to amend the law to include private sector employers in this state and so that's why the chamber is in opposition to this bill and I'd be more than happy to answer any questions that you have. [LB557]

SENATOR LATHROP: Thank you, Mr. Pigsley. Any questions from members of the committee? Senator White. [LB557]

SENATOR WHITE: Thank you for coming, counselor. I have several of them. First of all, let's talk about the constitutionality of it. You indicate that the employee shouldn't have to pay for these because he or she is forced to have the union represent them in negotiations. Do you recall that? [LB557]

JERRY PIGSLEY: Yes. [LB557]

SENATOR WHITE: That's the reality now anyway, isn't it? I mean isn't it that employee's negotiations are going to be handled by the union anyway right now? [LB557]

JERRY PIGSLEY: That's the reality of the situation but the employee doesn't necessarily have the right to say to the union, I don't wish you to negotiate on my behalf. [LB557]

Business and Labor Committee March 09, 2009

SENATOR WHITE: And that doesn't violate the right to work, correct? [LB557]

JERRY PIGSLEY: Well, it doesn't violate the right to work but requiring them to pay dues would be in violation of the right to work. [LB557]

SENATOR WHITE: Well, I think that's okay. The right to work says you have a right to take a job. You don't have a right to say you can't...a union can't negotiate for you. They still have the right to negotiate for you, correct? [LB557]

JERRY PIGSLEY: Well, in 2007, the Arizona Court of Appeals interpreted a similar provision under...looked at the same provision that we have in our constitution on a fair share and they found it unconstitutional in Arizona. A number of other courts have found it unconstitutional even though it doesn't require them to remain...pay dues to be an employee. Just by paying a fair share was unconstitutional. [LB557]

SENATOR WHITE: And of course the judges in Arizona don't have a vote on the Nebraska Supreme Court, correct? [LB557]

JERRY PIGSLEY: They don't but the Nebraska Supreme Court could look to those decisions as giving them some kind of support for their position. But you're right, the Nebraska Supreme Court judges would interpret our law as they see fit. [LB557]

SENATOR WHITE: And the Chamber of Commerce objects to us giving the Nebraska Supreme Court that opportunity even though it doesn't really they have a dog in this fight. Is that correct? The Chamber of Commerce does not represent anybody that pays a public employee, does it? [LB557]

JERRY PIGSLEY: Indirectly they do. [LB557]

SENATOR WHITE: Well, through their taxes. [LB557]

JERRY PIGSLEY: Right. [LB557]

SENATOR WHITE: Okay. But anyone (inaudible). [LB557]

JERRY PIGSLEY: But you're right, they don't represent the public employees. [LB557]

SENATOR WHITE: Thank you. [LB557]

SENATOR LATHROP: Senator Council. [LB557]

SENATOR COUNCIL: Thank you, Chairman Lathrop. Mr. Pigsley, first of all I'd like to

Business and Labor Committee March 09, 2009

thank you for clarifying the point with regard to the difference between the CIR and the National Labor Relations Board because, I mean, that is a distinction. Whether it's a distinction that is a basis for support or opposition to this bill being limited to public employers, the fact is that that's a distinction. The NLRB cannot impose a wage rate, it cannot order the provision of certain vacation benefits or health insurance benefits, where the CIR can if the parties get to that stage, correct? [LB557]

JERRY PIGSLEY: Correct, Senator. [LB557]

SENATOR COUNCIL: Okay. Now with regard to the right to work in terms of the historical genesis of it and what it's quite frankly intended to do, and with one exception in the state of Nebraska and that's railroad employees, is that under a right to work statute you cannot condition someone's employment on being a member of the union. Correct? [LB557]

JERRY PIGSLEY: Correct. [LB557]

SENATOR COUNCIL: So in terms of the constitutionality of LB557 as I read it, which does have the exclusion or disclaimer for lack of it...I'm concerned about the way it's drafted but it clearly does not make joining a union a condition of someone's employment. And if there's any question as to constitutionality, I don't think it's a constitutionality based upon a violation of the constitutional prohibition in this state from conditioning someone's employment on union membership. It's whether or not through this statute you can establish an enforceable debt, because the statute, all it does is state that if a person doesn't pay they have a debt that can be enforced by...the collection of which can be enforced by a labor organization in a court of law. I think without that language, there would be some question and I turn to my other colleagues who are a member of that unified bar of the state of Nebraska. [LB557]

SENATOR WHITE: Yeah, despite the right to work statute. [LB557]

SENATOR COUNCIL: I would have to defer to the collective wisdom in terms of whether or not that's a correct analysis that there would be no cause of action that I could think of. But I guess that you could because there is an agreement, a written agreement, between...according to the bill, there has to be a written agreement between the employer and the labor organization providing for this fair share and then providing certain safeguards, for lack of a better descriptor, to those who aren't union members in terms of how that fair share is calculated or whatever. So I guess this gives rise to some contractual, contractually enforceable debt, at best. And I think from your constitutional argument you say it's, at worst, it creates a violation of the constitution. [LB557]

JERRY PIGSLEY: Right. I think that the legislation that's been drafted in the past...because this legislation has been before the Legislature many times and the last,

Business and Labor Committee March 09, 2009

as I say, the last...the current Attorney General and the Attorney General before him both found similar fair share legislation unconstitutional even though it didn't condition employment on paying dues. And as I mentioned to Senator White here, the Arizona Supreme Court looked at the same type of language that's in our constitution and found a fair share agreement was unconstitutional. Those are just examples, but it hasn't been challenged because we, frankly...we haven't had a fair share provision in Nebraska. The closest we've got is the current law that allows union members or nonunion members to be required to pay if they hire the union in public sector to represent them in grievances and lawsuits. And that law is now on the books, and that's not that long ago and I don't think we've seen any litigation fighting that one yet. [LB557]

SENATOR LATHROP: Senator Carlson. [LB557]

SENATOR CARLSON: Senator Lathrop. I want to clarify...have you clarify something for me. I think one of the previous testifiers indicated that...and I don't know a lot about this at all, that nonunion members have to be represented by the union but then you talked about paying their own legal expenses. So they are represented by the union, but do the nonunion members pay the legal expenses? [LB557]

JERRY PIGSLEY: The...it's interesting how that works, Senator Carlson. The way the law is now, in the public sector in Nebraska, if a nonmember of a union wishes to have the union represent them in grievances or court litigation, the union can require to be reimbursed for that. But an employee doesn't necessarily have to hire the union representative attorney for litigation. There are cases where a union or a nonunion member may sue both the union and the employer, and obviously they're not going to be represented by the union. So it depends on whether that nonmember wishes to have that labor organization represent them. Clearly, the labor organization has a duty to represent them. They've been voted as the exclusive collective bargaining representative. Now, if they don't want to represent the employees, they can walk away. They can say, we don't wish to represent you anymore. And they don't have to represent them anymore. But if they are indeed voted in, they have a duty to represent the employees. [LB557]

SENATOR CARLSON: So the nonmember has the option of asking the union to represent them. And the union has the option of not representing. [LB557]

JERRY PIGSLEY: They do not have the option. [LB557]

SENATOR CARLSON: Okay. They have to represent. Do they have the option of whether they charge the nonmember or not? [LB557]

JERRY PIGSLEY: In the public sector, they do. [LB557]

Business and Labor Committee March 09, 2009

SENATOR CARLSON: They have the option, they may or may not charge. [LB557]

JERRY PIGSLEY: Right. [LB557]

SENATOR CARLSON: Okay. [LB557]

JERRY PIGSLEY: In the private sector, they do not. [LB557]

SENATOR CARLSON: Okay. [LB557]

JERRY PIGSLEY: They have to represent them. [LB557]

SENATOR CARLSON: Thank you. [LB557]

SENATOR LATHROP: Senator White. [LB557]

SENATOR WHITE: Counsel, are you really saying right now the public sector can charge a nonmember for its representational services? [LB557]

JERRY PIGSLEY: For grievances and court litigation, yes. [LB557]

SENATOR WHITE: How about negotiating a contract? [LB557]

JERRY PIGSLEY: No. [LB557]

SENATOR WHITE: How about enforcing safety? How about all the other aspects? [LB557]

JERRY PIGSLEY: No, not for negotiations, not for seeking to represent those employees. They can't charge those nonmembers. [LB557]

SENATOR LATHROP: Senator Council. [LB557]

SENATOR COUNCIL: You know, and I must apologize because I have not reviewed the legislation that was enacted that allows for that, but I am having tremendous difficulty. If the Attorney General thinks this is unconstitutional, then I want to know how you can avoid being in express violation of the National Labor Relations Act as far as public employees, but the public employees... [LB557]

JERRY PIGSLEY: They're not covered by the National Labor... [LB557]

SENATOR COUNCIL: ...they're not covered by the National Labor Relations Act, but that just flies completely in the face of...I mean, that would be more disconcerting to me

Business and Labor Committee March 09, 2009

than this. [LB557]

JERRY PIGSLEY: The Attorney General was asked for an opinion on the legislation that was passed in 2007 and he found that it was constitutional to allow for a labor organization to be reimbursed when that employee asked that labor organization to represent them in grievances and in court litigation. And he cited some cases that allowed for that. The difference in this legislation is that this is not where the employee asks for the labor union to represent them in negotiations. [LB557]

SENATOR COUNCIL: But this is the case where the union has no choice but the...it'd be something different and that's where I'm having trouble how you can make a constitutional argument that requiring a fair share payment is unconstitutional but requiring the payment for the representation in grievance is not. In the collective bargaining context, the union cannot say, Mr. or Ms. Employer, we are only negotiating wage increases for union members; everybody else is off the table. They can't do that. [LB557]

JERRY PIGSLEY: They can't do that. [LB557]

SENATOR COUNCIL: So...and to say that you can...that that's...it's unconstitutional to charge in that context but it's constitutional to charge in the grievance context where that is a situation where an individual can, even under a non-right-to-work state, that's where an individual can elect not to have the union represent them. [LB557]

JERRY PIGSLEY: Well, the individual has asked the union to represent them. That's the difference. [LB557]

SENATOR COUNCIL: Yeah, but that's the point I'm making. In the grievance context, that's one of the few cases under the general labor laws that an employee can say I don't want the union to represent me in the grievance, and they can go get someone else. But they can't say I don't want the union negotiating my wages and I want to negotiate those directly or bring in Senator McGill to represent. [LB557]

JERRY PIGSLEY: Right. [LB557]

SENATOR COUNCIL: So that's why I am having difficulty with a conclusion that this is any more unconstitutional than charging if you asked the union to represent you in a grievance, and I guess I'll have to struggle with that on my own but I don't see it. But that's where lawyers disagree all the time. [LB557]

SENATOR LATHROP: Senator Wallman. [LB557]

SENATOR WALLMAN: Thank you, Senator Lathrop. That's what you get paid for,

Business and Labor Committee March 09, 2009

Senator, yeah. [LB557]

SENATOR COUNCIL: Uh-huh, all the big bucks. [LB557]

SENATOR WALLMAN: But I'm a member of the chamber and I've got to pay union dues and you don't always represent me in the best, but I still pay my dues. So don't you think...how do you think the union members feel on this? Why would they think that's constitutional? [LB557]

JERRY PIGSLEY: Well, I think that the whole point of this is individual right to not...we have in our constitution that you do not have to join a labor union and it's an individual right whether you pay dues. And that's in the constitution. If the constitution was changed to say we're not a right to work state then obviously you could require them to pay dues and pay everything else, but it's in the constitution. [LB557]

SENATOR WALLMAN: Well, I can quit paying my dues and get out and still have a job. But if I work for...you know, that's a big difference there, I think. But that's the way...thanks. [LB557]

SENATOR LATHROP: Thank you. Any other questions? I think that's it. [LB557]

JERRY PIGSLEY: Thank you, Senators. [LB557]

SENATOR LATHROP: Thank you. Any other opponents here to testify today? Anyone here in a neutral capacity? That will close our hearing on LB557. (See also Exhibits 3, 4, and 5) We'll go to LB267, which is my bill and we'll turn it over to Senator Council. [LB557]

SENATOR LATHROP: (Exhibit 1) Good afternoon, committee members, Senator Council. My name is Steve Lathrop, L-a-t-h-r-o-p. I represent District 12 in Omaha and Ralston. And I'm here today to introduce LB267. LB267 would prohibit the state of Nebraska from requiring mandatory overtime of employees who are providing services in 24-hour care facilities unless there is an unforeseen emergency situation such as an act of terrorism, a disease outbreak, an adverse weather condition, or a natural disaster. Under the bill, employees would not be required to work for more than 12 consecutive hours unless there is an unforeseen emergent situation. Under no circumstances would an employee be required to work seven days in a row without a day off. The bill also prohibits the state and its agencies from taking disciplinary or retaliatory action against a state employee who refuses to work overtime. This same bill was introduced last year and it was advanced to General File by the Business and Labor Committee but was not debated by the entire Legislature. As elected officials... [LB267]

BILL CRAWFORD: Excuse me. [LB267]

Business and Labor Committee March 09, 2009

SENATOR LATHROP: Sure. Let me move in. [LB267]

BILL CRAWFORD: I'd like to...I'm going to be testifying in support, but just go on with what you're... [LB267]

SENATOR LATHROP: Okay. You don't need to get by me? [LB267]

BILL CRAWFORD: Is it going to cause a problem? [LB267]

SENATOR LATHROP: You're fine right there if you want to stay. [LB267]

BILL CRAWFORD: That's fine. [LB267]

SENATOR LATHROP: Okay. Thank you. As elected officials, one of our most significant responsibilities is to provide quality care to those citizens who reside in our 24-hour care facilities. Over the past several years there have been many instances where mandatory overtime has been used at these facilities. LB267 seeks to halt a practice that may jeopardize both the employee's health and the patient's safety. This bill is about patient safety and quality care for the most vulnerable people in the state's care. And while we may hear testimony today that indicates that some improvements are being made at certain facilities, these are things that the Legislature has been hearing for far too long. You have some overtime figures and I expect that we'll hear from Mr. Marvin again and he might be able to address and talk about those in particular. I introduced this bill last year and, as it turned out, it couldn't have been more timely because it was ultimately found to be the central issue in the BSDC problems, which is you can't ask people to work overtime, give them overtime shifts on short notice, and then expect them to provide the kind of care that they're asked to provide at places like BSDC or in our veterans' homes or in our prisons. I think LB267 is necessary and important legislation and I'd ask you to advance the bill to the floor for General File debate. [LB267]

SENATOR COUNCIL: Any thing, any questions for Senator Lathrop? If not, are you going to stay for closing, Senator Lathrop? (Laughter) [LB267]

SENATOR LATHROP: I will stay for close, I will stay for close. [LB267]

SENATOR COUNCIL: At this time I would call on the proponents of LB267. [LB267]

BILL CRAWFORD: (Exhibit 2) I will be brief but I'm here in support of Senator Lathrop's bill, LB267, and I just want to reiterate a couple of things that Senator Lathrop said without being repetitive. My name is Bill Crawford, the name is spelled B-i-I-I C-r-a-w-f-o-r-d, Crawford. I reside at 105 North 8, Apartment 206, it's down in the

Business and Labor Committee March 09, 2009

Grainger Building. I do feel that this is a permanent piece of legislation and does need to be advanced because when you ask people to work mandatory overtime it does affect the quality of the care because people are physically exhausted. And when you give them short notice, they become tired, irritable, and so on. Now, I'm not doing this off my testimony, it's just common sense. When you are understaffed and when those staff are underpaid, they're going to be irritable, they're going to be moody, and they're going to be in a situation when they're put under stress. And in situations like that, I'm going to add my own personal commentary, it doesn't have anything...might have something to do with my testimony. Those places need to be in a constant influx of hiring people and once they hire people, they need to hire them and train them within 48 to 72 hours because this will help the staffing in places like that. They also don't need to mandate that people take 12 hours and work 12 hours, seven days a week. Because it's just impossible to ask people to do that. You know, when you're providing physical care it can be stressful and physically exhausting. And I know because I receive physical care from a healthcare agency. They have basically 80 residents, they have about 50 to 60 employees so they're constantly understaffed and looking to hire new people. The other thing, they need to increase the pay for these people if they're going to ask them to work overtime. You know, these people are working...they're doing hard work, some of the people are quadriplegic, some of them have other disabilities that they have to deal with, and if you don't give people the proper amount of rest then the care is going to be affected. I appreciate your time and I do hope that LB267 gets advanced to the floor. I'm here in support of Senator Lathrop's bill. And on a personal note, I think he is one of the better and one of the more effective senators that the Legislature has. (Laughter) I thank you for your time. Do you have any questions? [LB267]

SENATOR COUNCIL: Thank you, Mr. Crawford. My question is, how do I get to hire you as my advance man? (Laughter) But are there any questions for Mr. Crawford? Seeing none, thank you again, Mr. Crawford, for appearing and testifying. [LB267]

BILL CRAWFORD: Thank you. [LB267]

SENATOR COUNCIL: And we'll get ready for the next proponent. [LB267]

MIKE MARVIN: Good afternoon, Senator Council and members of the committee. My name is Mike Marvin, M-a-r-v-i-n. I'm here today as the executive director of the Nebraska Association of Public Employees affiliated with the American Federation of State, County, and Municipal employees. We are the union representing most of the state employees. I'm here today to urge you to move LB267 out of committee I had last year brought a room full of people to testify to you, and you all heard the horror stories. Today I only had two people lined up to testify, unfortunately neither one is here. One is sick and the other one got mandatory so she could not be here. So all you will have is me today, then you get to go home, I hope. Again, most of you were here to hear all the horror stories last year and some of you sit on the Beatrice Commission where you

Business and Labor Committee March 09, 2009

heard more of the horror stories and the misuse of overtime. I will admit that things are better now than they were a year ago. But I believe that is simply because of pending legislation and the attention being paid to BSDC. Both the Department of Correctional Services and the Department of Health and Human Services were willing to address the issue in negotiations and some changes were made in the collective bargaining agreement during the recent negotiations. Even with the newly negotiated language, the same things as before, particularly in DHHS, could happen. They could declare an emergency and ignore the contract language. The old contract language would have been sufficient if DHHS had not misused the emergency clause of the contract. NAPE has no intention of depriving the state of the ability to respond to a true emergency. The state's failure to maintain adequate staffing levels, however, is not an emergency. It is mismanagement. I expect the Department of Corrections to get up here and testify that they have worked to fixed the problems; that they now have grievances that people are not getting the overtime that they are due. It is true that there are eight grievances out there that I am aware of. But that doesn't tell the entire story. I'm deeply disappointed that the Department of Corrections has not recognized that we have another problem that needs addressing. Six of the eight grievances were filed on behalf of one employee against one supervisor. The other two, that employee was acting as a union steward. If I see that many grievances involving one person and one supervisor, that tells me we have a problem with these two individuals. My response has been: One, I have stopped the grievance procedure from going forward on all of these cases; I've ordered our chief union steward at Tecumseh to approach either the warden or deputy warden to see if we can jointly figure out what the problem is and resolve it; the chief union steward has been instructed not to file any new grievances on this issue until we have taken every step we can to identify and resolve the problem. Given the management at Tecumseh, I have little hope of resolving this issue, but I believe we must try. Going back to the DHHS facilities, just last Friday, I and Julie Dake Abel approached Director John Hilgert, Veterans' Director John Hilgert with some strong concerns on whether the proper people were being mandated to work overtime at the Norfolk Regional Center...or Norfolk Veterans' Home, excuse me. We'd received calls at the NAPE office that med techs were being mandated to work in the nursing areas. At the time I wrote this, Director Hilgert said he would get to the bottom of it right away. I have not heard from him but right away today John got to me and told me that he addressed the issue and we don't think we'll have that problem again. And I appreciate that, John, thank you. One other thing I would like the committee to hear about is the use of mandatory overtime and how it hits the third shift harder than the other shifts. Our third shifts at 24-hour facilities are smaller than the other shifts because the clients, in the case of veterans' homes they're called members, or the inmates are sleeping and not as many employees are required on the third shift. Third shift is then followed by the busiest shift, the first shift, which requires the most employees. This causes an inordinate amount of mandatory and/or voluntary overtime to fall on third shift employees. One of the things that you will see in your overtime figures is there it is divided up between mandatory and voluntary. Voluntary is not a true figure. Employees have figured out how to manipulate

Business and Labor Committee March 09, 2009

when they are going to be mandatory. If they volunteer on this day because they don't have something else going, that means if they have something tomorrow and mandatory comes up they should not receive it. Again, it is not a true, true picture. Some of that voluntary overtime is mandatory overtime. In closing, this is part of what set the commission on BSDC on its way. I'm here today to warn you, the veterans' homes and the Lincoln Regional Centers are not far from becoming the next BSDC. You, the Legislature, needs to act now so we will never ever see another BSDC. I thank you for your time and I would be happy to answer any questions you have. [LB267]

SENATOR COUNCIL: Any questions? Senator Wallman. [LB267]

SENATOR WALLMAN: Thank you, Chairman Council, Vice Chairman. Yeah, thanks for coming, Mr. Marvin. [LB267]

MIKE MARVIN: You bet. [LB267]

SENATOR WALLMAN: Do you feel in some of our institutions we're promoting the lower management positions and going on salary instead of wages? [LB267]

MIKE MARVIN: There is an issue that I have with the way a few things are being done, but I believe those need to be addressed through the collective bargaining process. But are they trying to get away from paying some overtime by promoting some people? I believe so. [LB267]

SENATOR WALLMAN: Thank you. [LB267]

SENATOR COUNCIL: Senator Carlson. [LB267]

SENATOR CARLSON: Senator Council. Just your last statement is kind of like a warning. Kind of expand on that a little bit. [LB267]

MIKE MARVIN: If we don't address the issues, I mean, we ignored what was going on at BSDC from 2001...I think is the first sign that came up at BSDC where they were put in immediate jeopardy. And it all kind of pointed to understaffing, they didn't have enough people there to do it. Those signs are showing at the other HHS facilities, at the veterans' homes. We have massive amounts of overtime. The Grand Island Veterans' Home was very bad for a long time. The Norfolk Veterans' Home currently now is very bad. Eastern Nebraska has its problems also, and we don't hear much out of the Western Nebraska so we're not having a lot of problems out there. Again I say, things are better now than they were a year ago but I believe that's just because of the attention that's being paid. We're the squeaky wheel, we're getting the oil. It goes away, we go away, no attention is being paid, we slide right back into the same old patterns if we don't do something. [LB267]

Business and Labor Committee March 09, 2009

SENATOR CARLSON: And was any of your statement directed at anything in Lincoln? [LB267]

MIKE MARVIN: The Lincoln Regional Center. We have our problems at the Lincoln Regional Center. [LB267]

SENATOR CARLSON: Thank you. [LB267]

MIKE MARVIN: Uh-huh. [LB267]

SENATOR COUNCIL: Senator White. [LB267]

SENATOR WHITE: Thank you. Mr. Marvin, for the people that may not have been here last year, let's go through how this can cause a Beatrice-like meltdown. You have good quality people who are working. They haven't been getting raises consistent with the public sector. Is that correct? [LB267]

MIKE MARVIN: Correct. Correct. [LB267]

SENATOR WHITE: Then suddenly there's a pressure to reduce head count so there are fewer people in a facility, is that correct? [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR WHITE: Many of the people who work there are single parents. [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR WHITE: They suddenly are faced with, what, maybe half-hour or less notice that they're going to have to work another eight-hour shift? [LB267]

MIKE MARVIN: Many times it's a half an hour or less notice that they're going to have to work another shift and they try to give them as much as they can but many times it's right down to a half an hour and they have childcare. [LB267]

SENATOR WHITE: So you have a mother, single mother, has two children in childcare. She's worked eight hours. It's now time for her to go home and see her children. She's given a half an hour notice and what happens if she doesn't work that overtime? [LB267]

MIKE MARVIN: What happens then? Well, some of it depends upon your job. If you're a nurse or someone who has a license, you could be subject to losing your license for

Business and Labor Committee March 09, 2009

patient abandonment. Other ones, such as our med techs, they can be written up and disciplinary action started against them and discipline is progressive and it can be...it can lead to a termination of that employee. [LB267]

SENATOR WHITE: And you face the choice of leaving your child at a day care who may have their own children or close their doors. [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR WHITE: And in which case you lose your day care. [LB267]

MIKE MARVIN: You may lose your day care. [LB267]

SENATOR WHITE: Has that caused, to your knowledge, good people to leave the state employment? [LB267]

MIKE MARVIN: Yes, it has. Not being able to count on where they're going to place their children, what's going to happen, whether their going to have day care has been a big part of our people's decision, several of our people's decisions to leave. [LB267]

SENATOR WHITE: And losing quality employees can then lead to substandard care, in your experience. [LB267]

MIKE MARVIN: Yes, it can. [LB267]

SENATOR WHITE: Thank you. [LB267]

MIKE MARVIN: Well, Senator, may I expand on that one just a little bit? [LB267]

SENATOR WHITE: Please. [LB267]

MIKE MARVIN: Substandard care because there's just not enough people there to do it. Not that the quality of employee that has left is substandard, but it's a numbers game and that's what it breaks down to. [LB267]

SENATOR WHITE: One of the problems we faced at Beatrice was the number of dropped patients, correct? [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR WHITE: Ideally you have at least three employees to pick up a patient. Is that correct? [LB267]

Business and Labor Committee March 09, 2009

MIKE MARVIN: Two on a lift should always been there, three would be nice, but it happens with one. [LB267]

SENATOR WHITE: And when you don't have enough people in place, you're asking one person to lift a patient out of a wheelchair into a bed or into a shower. [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR WHITE: That cannot only cause the drop of a patient, injuring the patient. [LB267]

MIKE MARVIN: Yes. [LB267]

SENATOR WHITE: One case in Beatrice, one patient, both legs were broken, went a week without being taken to a doctor. [LB267]

MIKE MARVIN: Yes. [LB267]

SENATOR WHITE: But it also can lead to a number of serious back injuries for your employees. [LB267]

MIKE MARVIN: Yes, it can. [LB267]

SENATOR WHITE: And does that also cause you then to lose quality employees because you're injured and they don't want to come back and hurt their back again? [LB267]

MIKE MARVIN: Yes, it does. [LB267]

SENATOR WHITE: Thank you. [LB267]

SENATOR COUNCIL: Senator Carlson. [LB267]

SENATOR CARLSON: Senator Council. I would imagine some of this...it ends up with the management being between a rock and a hard place. I may be the employee and I may not be quite as responsible as I ought to be and I call in a half-hour before I'm supposed to be there and I'm sick. [LB267]

MIKE MARVIN: Yes, that happens. [LB267]

SENATOR CARLSON: And I suppose that happens a lot. [LB267]

MIKE MARVIN: That happens. I don't know how much, how much of it is right before,

Business and Labor Committee March 09, 2009

but it happens. [LB267]

SENATOR CARLSON: And I may not be sick, but that's besides the point. [LB267]

MIKE MARVIN: That's beside the point and the contract also gives the employer, the agency, the right, if they have...if they suspect that's going on, to monitor that employee and discipline that employee who is doing that. And I think it has happened and I think that management has failed in their obligation to administer the contract in those areas also. [LB267]

SENATOR CARLSON: Thank you. [LB267]

SENATOR COUNCIL: Senator White. [LB267]

SENATOR WHITE: Let's go on with that theme. An employer, employer management would also have the right to have a higher staffing level to account for, especially in a large institution, a certain percentage of predictably sick people. Correct? [LB267]

MIKE MARVIN: Correct. If you were thinking ahead, you would. [LB267]

SENATOR WHITE: And are you aware of any efforts by the recent administrations to reduce head counts at facilities like the veterans' home, Beatrice, and others? [LB267]

MIKE MARVIN: At the veterans' home, I am not aware of any effort to reduce head counts. Definitely at the Beatrice State Developmental Center that's been going on. [LB267]

SENATOR WHITE: Head counts of employees, to reduce the number of employees. [LB267]

MIKE MARVIN: The head counts of employees? Yes. Yeah. [LB267]

SENATOR WHITE: And that leads us to the crunch of not having people to cover if somebody gets sick. [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR WHITE: Because people legitimately do get sick sometimes. [LB267]

MIKE MARVIN: Yes, they do. There are legitimate sicks there. [LB267]

SENATOR WHITE: Especially if they have to work 16-hour days without proper rest, I assume. [LB267]

Business and Labor Committee March 09, 2009

MIKE MARVIN: If you...not just one. Sometimes it was happening two and three times within a 10-day cycle that people were working 16-hour days. That wears you down mentally, that wears you down physically. It endangers the patients and endangers the clients. [LB267]

SENATOR WHITE: Thank you. [LB267]

SENATOR COUNCIL: Any other questions for Mr. Marvin? I just have a quick one, Mr. Marvin. And I apologize, it's hard to repress the labor lawyer in me. (Laughter) But you indicated during your testimony that part of a problem that had been encountered and was the subject of the horror stories last year, that I didn't have the opportunity to participate in the hearing, but were addressed by a recently negotiated collective bargaining agreement. Was that part of your testimony? [LB267]

MIKE MARVIN: Correct. We addressed the issue of overtime in the collective bargaining agreement both in the Department of Corrections and in the Department of Health and Human Services. The rest of my testimony also said that the current contract language would have been sufficient if DHHS had not misused what I believe was the emergency clause in the contract. That's why Senator Lathrop's bill defines what is an emergency. [LB267]

SENATOR COUNCIL: Okay. Now, so this is my question. I'm looking at the fiscal note that accompanies LB267 and I don't understand this statement in the context of your testimony. The Department of Correctional Services indicates that they do negotiate the use of mandatory overtime through the labor contract. [LB267]

MIKE MARVIN: Correct. [LB267]

SENATOR COUNCIL: Is the same issue with the Department of Corrections as you have with HHS? [LB267]

MIKE MARVIN: The Corrections...at Corrections we had a real, real problem at the Tecumseh facility. And, yes, you know, they were using excessive use of it...of the overtime issue to cover the staffing shortages. [LB267]

SENATOR COUNCIL: Okay. But I thought I also heard your testimony that it was one person that had 68 complaints. [LB267]

MIKE MARVIN: No. No, no, you misunderstood what I said there. [LB267]

SENATOR COUNCIL: And did I misunderstand you? Okay, then help me. [LB267]

Business and Labor Committee March 09, 2009

MIKE MARVIN: What I'm saying is, is... [LB267]

SENATOR COUNCIL: Because that's what I...did anybody else hear that like that? [LB267]

MIKE MARVIN: What you heard me say is...and I expect Director Houston to get up here and admit to you that there was a problem with overtime at Tecumseh. But now that his...they've made changes and his overtime problem isn't there anymore. In fact, people are claiming that they're not getting the overtime due them in 6 out of 8 grievances, not 68. [LB267]

SENATOR COUNCIL: Are for people not...who's... [LB267]

MIKE MARVIN: Out of one person. [LB267]

SENATOR COUNCIL: Okay, okay. [LB267]

SENATOR CARLSON: I thought you said 68. [LB267]

MIKE MARVIN: Yeah. I'm sorry. I'm sorry. [LB267]

SENATOR COUNCIL: I thought I heard...thank you, Senator Carlson. I thought it was me because I heard 68. [LB267]

MIKE MARVIN: Okay. No, I'm sorry, six out of eight. [LB267]

SENATOR COUNCIL: Okay. Thank you. I'm sitting there going, okay, maybe there's not...okay, thank you. Have my questions prompted any questions of Mr. Marvin? If not, thank you, Mr. Marvin. [LB267]

MIKE MARVIN: Thanks, Senator Council. [LB267]

SENATOR COUNCIL: The next proponent. Thank you, Senator Carlson, I heard 68. If there are no other proponents, opponents. [LB267]

JOHN HILGERT: (Exhibit 3) Thank you. Good afternoon, Senator Council, members of the Business and Labor Committee. I am John Hilgert, J-o-h-n H-i-l-g-e-r-t. I'm the director of the Division of Veterans' Homes for the Department of Health and Human Services. I am here to testify on behalf of the agency, DHHS, in opposition to LB267 which would limit the number of work hours and consecutive work days for employees at the state's 24-hour care facilities. For the department, this includes the four veterans' homes, the three regional centers, two Youth Rehabilitation and Treatment Centers, and the Beatrice State Developmental Center. First and foremost, I want to

Business and Labor Committee March 09, 2009

acknowledge the highly dedicated employees who work in our 24-hour facilities. Each day they go above and beyond to provide outstanding care for our citizens. The work is not easy, in fact it is guite demanding. Each of them knows as soon as they are hired that the care of those residing at our facilities can never be compromised. I'm here today to discuss how this bill could compromise that care, and to address the terms and conditions of employment we have followed. The department has bargained in good faith the provisions regarding work schedules, including voluntary/mandatory overtime, that apply to our employees. The bargaining of those provisions occurs every two years with the exclusive bargaining agent--the Nebraska Association of Public Employees Local 61 of State, County, and Municipal Employees, referred to as NAPE/AFSCME--and as certified by the Nebraska Commission of Industrial Relations. Permanent work schedules for our employees in the 24-hour facilities are limited to a maximum of six consecutive days unless agreed to by employees. Work schedules are set so employees have two consecutive days off. They may not be the traditional Saturday and Sunday. If practical, we attempt to get them a Saturday and Sunday off together every other week. There are two categories of overtime worked in our 24-hour facilities--voluntary and mandatory. Whenever a shift is left uncovered due to a vacancy, a scheduled absence, or when known in advance that the staff-to-patient ratio needs to be temporarily increased due to increased acuity level, we post a request for volunteer coverage. The employee with the most state seniority is awarded the overtime if more than one expresses interest in covering that shift. In some instances, we will not know in advance that a shift will be uncovered because an employee calls within a day. Unavoidable issues, such as illness or family emergency: Our first attempt is to cover this unplanned absence...our first attempt to cover this unplanned absence would be to see if there is adequate staffing without requiring overtime. If not, we ask if any qualified employee from the prior shift is interested in volunteering to stay to work those hours. While employees cover the majority of our overtime hours voluntarily, there are, however, times when no one is interested in covering a vacant shift. Even known absences can sometimes be difficult to cover. When that happens, employees may be held for mandatory overtime which could be for up to eight hours. Who stays for mandatory overtime is based on seniority, starting with the least senior, working up to the most senior, through a rotation process. The provisions mandating how this is done and in what order are all collectively bargained and they are outlined in Appendix C of the labor contract which is attached to my testimony that has been distributed. The contract sets up provisions for up to three mandatory overtime assignments within a two pay period window, which would be four weeks. This is what Mike Marvin is referring to. Employees can use voluntary overtime to substitute for their turn on the mandatory rotation schedule. By doing this, employees can work when it is convenient for them and to avoid being held over when it does not work out as well. Employees receive time and a half...time and one-half for overtime in compliance with the labor contract and the Fair Labor Standards Act. During the last bargaining process, both the agency and the union reviewed all of the language in Appendix C. Some minor changes were made to the mandatory overtime provisions that both parties agreed would improve the rotation

Business and Labor Committee March 09, 2009

process. In addition, on-call staff will be utilized prior to asking permanent staff to work overtime. I've been informed that at no time during the negotiations process was it proposed by either party that mandatory overtime be eliminated. It is neither the desire of the facility to require mandatory overtime. Unfortunately we're not always able to project the need for overtime. In some locations we struggle to find qualified staff to fill our full-time vacancies. We have hired temporary employees when possible to staff on-call pools to help alleviate mandatory overtime. Although not our first choice, we also have gone to outside staffing agencies for help when necessary. We hesitate to use people from outside staffing agencies because they are unfamiliar with our facilities and people served. Agency staff is not uniformly available throughout our state. The utilization of agency staff is expensive and does not provide a long-term, consistent alternative to provide quality care for those we serve. If LB267 would pass as written, it could compromise our ability to provide safety and care for people served in our facilities. The bill which would negate any penalty for refusing to work more than 12 hours would allow needed staff to walk off the job with no replacement. This could leave our patients, members, and clients with substandard care, which is not acceptable. Also, it could jeopardize our federal funding and accreditation standards through the Centers of Medicare and Medicaid Services and/or the Joint Commission on Accreditation for Healthcare Organizations. I wish that we would never have to use mandatory overtime, but we do. Our recruiting efforts are extensive and ongoing, yet we are not able to fill the positions we have vacant in our facilities. Even our best efforts to predict possible coverage for those not reporting to work sometimes fall short. With careful scheduling and constant recruiting during the period of February 2008 through January of 2009, only 6.7 percent of our total overtime hours at our 24-hour facilities were mandatory. I would ask the committee leave this issue to the collective bargaining process. Work schedules and overtime are terms and conditions of employment and, therefore, should be left to labor negotiations. Having both of these issues addressed in the same arena would allow for the best possible outcome for the employees and the people we serve. Thank you and would be happy to answer any questions that you might have. I am the division director of one division within the agency. The Director of Human Resources for the entire agency, DHHS, Mary Shanahan, is also present and would also be happy to answer any questions you might have if needed. Thank you. [LB267]

SENATOR COUNCIL: Thank you, John. Are there any questions for Mr. Hilgert? Seeing none, thank you again for testifying. And I would call upon the next opponent. [LB267]

BOB HOUSTON: (Exhibit 4) Good afternoon, Chairman Lathrop and members of the Business and Labor Committee. My name is Bob Houston, H-o-u-s-t-o-n. I'm director of the Nebraska Department of Correctional Services. I appear before you today to respectfully oppose provisions of LB267. The provisions of LB267 would limit employees in 24-hour care facilities from being mandated to work overtime as needed. The provisions would pose an extreme challenge for our agency to maintain the

Business and Labor Committee March 09, 2009

adequate staffing levels that are critical for the good order, safety, and security of our institutions. Our prisons require an adequate level of staffing at all times to maintain security and safety for the inmates and staff at the facility, and for any contractors or visitors to the facility, and ultimately to the community. Staff illnesses, vacations, and other absences such as necessary training often alter our ability to maintain a full complement of staff and dictate our use of overtime. Historically and currently, our agency used both voluntary and mandatory overtime to maintain appropriate staffing levels. The agency carefully identifies a minimum number of positions on each shift to safely operate each facility. This minimum staffing provides DCS the ability to continue to provide the programming and rehabilitation opportunities we are obligated to provide to those in our custody and care. State statutes sections 83-173 and 83-922 assign the department the duty to the custody, control, safety, correction, and rehabilitation of persons committed to our agency. A key component of our agency's mission is to serve and protect the public. Our department prides itself on being able to maintain safe institutions for our staff, our inmates, our volunteers, contractors, and the public. A limitation on our ability to use overtime will compromise safety in our facilities. Our agency is aware that overtime can be a significant burden on staff. Although staff is compensated for working overtime hours, we realize the imposition overtime places on our staff and their families. We take special care in fairly managing the overtime process. The union contract, specifically Appendix M, addresses and allows us the use of such overtime. The provisions of LB267 has the potential to significantly jeopardize our ability to provide a safe environment for staff and inmates. I'd be happy to answer any questions you may have. [LB267]

SENATOR COUNCIL: Thank you, Mr. Houston. Any questions? Senator Wallman. [LB267]

SENATOR WALLMAN: Thank you, Mr. Houston. Thanks for being here. Director, I can see where it'd be tough on overtime in some situations. Do you have a lots of people come in late for work? [LB267]

BOB HOUSTON: No. It happens. If you come in late three times in a 90-day period, you could be up on a statement of charges. So, no, lateness...it's the absenteeism that hits us the most, yes. [LB267]

SENATOR WALLMAN: Okay. And they call in? [LB267]

BOB HOUSTON: When they call in, and they have to call in two hours ahead of time and so that helps us give a fair warning to people. We've been successful in filling our vacancies. In fact, Mike Marvin made mention of Tecumseh. We now have a waiting list for people that we've deemed suitable for hire that have to wait for an open position to come open before we hire them, so we've been able to turn that situation around. We started that back in early 2007 with the blue ribbon panel. In fact, members of...John

Business and Labor Committee March 09, 2009

Hilgert and other administrators with Health and Human Services are part of that, so we started this effort well before last legislative session. [LB267]

SENATOR WALLMAN: Thank you. [LB267]

SENATOR COUNCIL: Any other questions? Senator Carlson. [LB267]

SENATOR CARLSON: Senator Council. Mr. Houston, what...where are the various facilities that you are in charge of? [LB267]

BOB HOUSTON: I'm responsible for three facilities in Omaha: the Omaha Correctional Center, Community Corrections Center of Omaha, and for the Nebraska Correctional Youth Facility. We also have a maximum security prison, 960 inmates in Tecumseh. We have four facilities in Lincoln: we have the Nebraska State Penitentiary with about 1,000 inmates, we have the Lincoln Correctional Center with over 500, we have the Diagnostic and Evaluation Center, and we have the Community Corrections Center in Lincoln. Then in the middle of the state we have York, which is our women's facility, and in the west we have the Work Ethic Camp. [LB267]

SENATOR CARLSON: Now, throughout those institutions you've got to have a lot of single parent families. [LB267]

BOB HOUSTON: Yes. Yes. [LB267]

SENATOR CARLSON: Is there any special arrangement for them so that, just what was brought up, a child is in day care and all of a sudden it's mandatory overtime? I don't understand how they can even comply with it. [LB267]

BOB HOUSTON: Yeah. It's a difficult situation. When I first came to the department...back to the department, I should say. I've spent my career in this department, went to Douglas County for two years. When I came back there was a lot of disciplinaries coming out of Tecumseh because people were turning down mandatory overtime. We were able to address that and cut that tremendously down to what Mr. Marvin indicated where now we receive grievances because people didn't get the overtime they wanted. But still, it's still a hardship. Even though we've improved it, it doesn't work for every individual. And so what we did was we--with Appendix M that I mentioned--we took a interest-based approach to that. We brought in federal mediators to do Appendix M. That's the part of the contract, state contract that applies to Corrections. Out of that we took an interest base rather than negotiate word for word and phrase for phrase. We listed those things that are of greatest interest to union, union issues, labor issues, and those of administrative, and then we worked from those interests and fashioned a agreement with the union. The section on mandatory overtime, if I could take just a minute I can go through this and I think it will answer your

Business and Labor Committee March 09, 2009

question. First thing is, is that we maintained an accurate and updated mandatory overtime. We did that, but now what we have is a separate mandatory list. So if you are asked now to do any mandatory overtime, even if it's for just a short period of time, you move to the bottom of that list. If you volunteer and you do two hours then you move to the bottom of that list. So I have staff that tell me that haven't been mandatoried in six, seven, eight months and the reason for it is because, as Mr. Marvin indicated, that they can...what he termed as manipulation I call careful planning, staff plan their overtime. So if they have baseball games that they do on Tuesday nights or if they have childcare, then they work a different time and they do their mandatory overtime and they move to the bottom of the list and they do it by doing voluntary overtime over two hours with the new contract. The mandatory overtime is continuously rotating on the list from least senior to most senior, and then the continuous rotating of mandatory overtime is maintained in the shift supervisor's office and it's made available for employees to review at any time. Part I'm going to get to relates more to you, and then I talked about how they can do their over time. But a key part of this is that--let me get to it here--employees are going to now get two byes during the fiscal year. And what that will mean is that if they didn't drop to the bottom of the list and their name appears at the top, well, they could have avoided that but let's say they didn't, well, now they get a bye. And they can say, you know, this just doesn't work, my mom is in town and I've got to go. Well, they get a bye. They stay on the same place on the list and then the next person has to step up and do that mandatory overtime and then they know that when they come in next they're probably going to have to work mandatory overtime if there's any that's being assigned on that shift. They're able to exercise that two times within a fiscal year and the contract M63.4 indicates that voluntary overtime clause expires two years from the effective date of this contract and will not carry over to the next contract unless the parties agree. So what we're going to do...we're planning on doing, sitting back down and do another interest-based negotiation on the entire Appendix M, including this clause, to make certain this is working. If it doesn't work then we're going to make adjustments because we want this to work well for our employees. [LB267]

SENATOR CARLSON: Thank you. [LB267]

SENATOR COUNCIL: Another other questions for Mr. Houston? I just have one. Can we...you just referred to it, so apparently the overtime provisions of the DCS contract is not the same as the overtime provisions for the HHS. [LB267]

BOB HOUSTON: We have separate contracts. [LB267]

SENATOR COUNCIL: Okay. So...and the language is not comparable. [LB267]

BOB HOUSTON: Right. Yes. [LB267]

SENATOR COUNCIL: So could we get a copy of the DCS collective bargaining

Business and Labor Committee March 09, 2009

agreement provision relative to overtime? [LB267]

BOB HOUSTON: Yes. I have that right here. [LB267]

SENATOR COUNCIL: If you could leave it and we could get copies to the committee, I'd

appreciate it. [LB267]

BOB HOUSTON: Absolutely. [LB267]

SENATOR COUNCIL: Okay. Any other questions? If none, thank you. [LB267]

BOB HOUSTON: Thank you. [LB267]

SENATOR COUNCIL: Any other opponents? Anyone speaking in a neutral capacity?

Senator Lathrop, you'd like to close. [LB267]

SENATOR LATHROP: Thank you, Senator Council and members of the committee. This is more than just a management and labor issue. You might expect that that's all we're talking about since we heard from management and then we heard from the union and it took on a tone of a...you know, and you might properly wonder why don't we just let them negotiate this subject. But the problem is that it's a patient care issue and it isn't just for you to decide do I believe management, do I believe Mr. Marvin and the labor folks. Look at the Department of Justice report. Last year, and for those of you that weren't here, last year we received a report from the Department of Justice that looked at the Beatrice State Developmental Center and it chronicled the problems at BSDC, the neglect and the abuse. And they concluded that we were violating people's civil rights down at BSDC. And the Department of Justice report, and I remember it somewhere around page 15 if you're interested in looking at it, said the central problem with the patient care and the central problem at BSDC related to the mandatory overtime. It isn't just a labor/management issue. It's a patient safety issue. And when you have people working overtime like this and you create this environment, people are being moved around and caring for folks that they don't know and it's leading to poor care and contributing to the poor care. They're exhausted employees and not in a frame of mind to provide the kind of care to vulnerable adults. I would agree with Director Hilgert that these are dedicated, highly dedicated people in a demanding industry but they do need protection from the mandatory overtime. There are improvements that are made, there's not a lot of mandatory overtime in there compared to a year ago. But people avoid that if you didn't understand the explanation you just heard. They avoid mandatory overtime by scheduling themselves for voluntary overtime. So voluntary overtime isn't necessarily people who want that additional hours and want that additional work. They are people that are trying to bring a little order to their lives so they don't have somebody come down a half-hour before their shift ends and say you're tapped for overtime tonight. So I think it's necessary for patient protection, again, and

Business and Labor Committee March 09, 2009

would encourage you to move LB267 to the floor for General File debate. Thank you. [LB267]

SENATOR COUNCIL: Thank you, Senator Lathrop. With that, that concludes the committee's hearings for today. (See also Exhibit 5) I'll turn the committee back into the hands of the Chairman because I think we have an Executive Session. [LB267]

SENATOR LATHROP: We do. We're going to go into Exec, committee. [LB267]

Business and Labor Committee March 09, 2009

Disposition of Bills:		
LB267 - Placed on General File. LB557 - Held in committee.		
Chairperson	Committee Clerk	_